


Commodity Shelf Newsletter

May 2009

Staff Update

DESE – SFS is losing a valuable teammate in our commodities section on May 15, 2009. Ellen

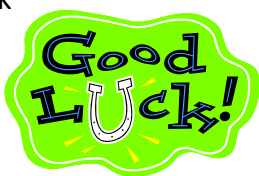
Hester will be leaving our office to continue work for DESE in the Division of Vocational Rehabilitation (VR) as a Disability Determinations Counselor. Ellen has been the Program Supervisor for the Donated Food (DF) Program since October 27, 1998. She has 20 years of warehousing and distribution experience. She worked for the contracted government warehouse before starting her position with DESE – SFS.

Ellen is the proud mother of Caylin and Gavin. Caylin will be graduating from Jefferson City High School in May to attend college at Missouri State University in Springfield. Gavin is a fast-growing young man who will be a sophomore at JCHS next fall.

Ellen has truly enjoyed her time working with the DF Program and working alongside Gary Karr in some capacity for the last 14 years and working with DeeDee Kilson for the last 10 years, but she says she won't miss the non-stop paperwork, especially commodity transfers.

Ellen says to "look for me in a VR field office in St. Louis or Kansas City in the summer of 2012."

DESE – SFS wants to thank Ellen for all her work and dedication to the DF Program and wishes Ellen the best of luck in her future endeavors!



Value of Commodities for SY 08-09

DESE – SFS is in the process of compiling each LEA's total value of commodities received during School Year (SY) 08-09 and hopes to have the information available by mid to late June. The process involves calculating the total number of cases an LEA received of each commodity (Open Order, Prorated, and Processed), and then assigning the average value of the DF in each case to determine the total value of all the DFs received by each LEA. The estimated values which are located on the Open Order, Prorated list and Processed Order Forms are the costs DESE – SFS *anticipates* paying for each commodity, but is not the actual cost. Because USDA procures and purchases commodities throughout the entire SY, the price fluctuates based on the markets; therefore, it is not until all purchases have been made for a SY that DESE – SFS can determine the average value for each commodity. Open Order and Prorated items are calculated as the DF value per case, and Processed items are calculated as the average value per pound (lb) multiplied by the number of DF pounds (lbs) in each case.

Rebates received from manufacturers in the Rebate Program and Department of Defense (DoD) Fresh Program Values are also included in the letter.

LEAs will have access to their Value of Commodities on the [DESE – SFS Commodities](http://dese.mo.gov/divadm/food/) Web Site when all of the information has been finalized. There will be a document containing the values of each commodity available from DESE – SFS, as well as a file that will have all individual LEAs totals broken out on individual pages. LEAs generally will need this information for their independent auditors. LEAs contracting with a Food Service Management Company (FSMC) will need this information to reconcile their billing with the FSMC based on how the process is spelled out in the contract.

Entitlement Letters for SY 09-10

Entitlement dollars of USDA DF is a roller coaster of events and has a moving target all SY long. Each July the commodity per meal rate is published in the Federal Register and DESE – SFS will then issue Entitlement Letters for each LEA. The Entitlement Letters are figured by multiplying an LEA's Average Daily Participation (ADP) in the National School Lunch Program by the number of days in a SY (174 days) and then multiplied by the updated commodity per meal rate. For example, SY 08-09 the commodity per meal rate was 20.75 cents per meal, so if LEA Jane Doe had an ADP of 200, the Entitlement Letter for LEA Jane Doe would show \$7,221. ($200 \times 174 \times \$.2075 = \$7,221$)

The Entitlement Letters are an estimate of the value of assistance an LEA can plan to receive from USDA DFs for the upcoming SY. They are only an estimate for a few reasons. One reason is that Section 6 of the NSLP regulations requires that at least 12% of the entire federal subsidy for school meals must be in the form of commodities, so if that amount is not reached then Entitlements could be increased. Another reason is based on the utilization of the USDA DFs by each LEA, some LEAs will inevitably use more than their estimated Entitlement and others will under-utilize.

Look for Entitlement Letters to be posted on the [DESE – SFS Commodities](#) Web Site in mid to late July after the commodity per meal rate for SY 09-10 is published in the Federal Register.

Open Order Form/Processed Order Forms

March was the last month to submit Open Orders for SY 2008-2009. The first Open Order for SY 09-10 will be available in July (due 7-15-09) for August delivery.

The last month to order Monthly Processed products for SY 08-09 was February. The first Monthly Order Forms for Processed products for SY 09-10 will be available in June (due 6-15-09) for August delivery.

Commodity Meeting

In the April Commodity Shelf Newsletter there was an article about a possible “town hall” type meeting concerning commodities. The general response showed there was an interest but not a lot of time with the end of school nearing. Future meetings will be planned and announced at later dates.

Product Updates (Bonus..Bonus..Bonus!)

The slowing economy and excess inventories in many markets has triggered USDA to make multiple **BONUS** buys for SY 09-10 and possibly more on the way.

As noted in a previous Newsletter, USDA bartered 50 million pounds of **BONUS** Non-Fat Dry Milk to be further processed into end products. DESE – SFS has requested two of the end products available: [Reduced Fat Shredded Cheddar Cheese](#) (6 – 5 lb bags per case) and [Lite Mozzarella Shredded Cheese](#) (30 lb case). Both items should be available early in SY 09-10 on an Open Order.



BONUS [Sliced Ham](#) (8 – 5 lb hams per case) are planned to be available on the July Open Order for August delivery. This is a water added, cured, boneless, fully cooked, sliced product that is 97% fat free.



BONUS diced [Apricots](#) (6 – #10 cans per case) are planned to be available on the August Open Order for September delivery.



BONUS Individual Quick Frozen (IQF) [Wild Blueberries](#) (30 lb case) are planned to be available on the December Open Order for January delivery.



BONUS [Dried Cherries](#) (4 – 4 lb bags per case) are planned to be available on the August Open Order for September delivery. These cherries are dried, pitted, red, tart with sugar or other sweeteners added.



BONUS [Walnuts](#) (30 lb bag) are planned to be available during the first part of SY 09-10 on the Open Order. The Walnuts are shelled English or Persian walnuts in small pieces.

The Whole Grain (WG) Pilot Program received a lot of interest from LEAs in Missouri. DESE – SFS plans to receive an additional **BONUS** truck of WG Frozen Pancakes **AND** an additional **BONUS** truck of WG Frozen Tortillas for distribution during SY 09-10. Both WG items will be offered on a future Open Order.

All quantities of **BONUS** items available on the Open Order may have to be adjusted after orders are received to accommodate all Open Orders. All LEAs ordering a **BONUS** item will receive at least one case, but quantities may have to be scaled back on a percentage basis if more requests are received than is on hand in inventory. The above dates for each item is planned, not guaranteed, and are subject to change.

Commodity Deliveries

LEAs participating in the DF program in Missouri receive 9 deliveries a year from DESE – SFS. The last delivery for SY 08-09 was made in April.

The first deliveries for SY 09-10 will begin again in August with a tentative first delivery date of August 3, 2009.

Equipment Grants

DESE – SFS has been working on the application for the American Recovery and Reinvestment Act of 2009 (ARRA or stimulus package) funds and will notify Authorized Representatives via E-Mail when the information is available. A link will also be available on the [DESE – SFS Web Site](#) when the information is released. There were additional approvals needed before releasing the information to LEAs which DESE – SFS was unaware of last month and that has delayed the information becoming available.

To find additional information about the ARRA funds, visit the [DESE Web Site](#), click on the [ARRA Info](#) link on the right-hand side, and then click on the [National School Lunch Program](#) on the right-hand side.

Take a look at your operations and be prepared for the grant applications when they become available!!

DESE Web Applications

Each year LEAs are required to submit an on-line Application Agreement with DESE – SFS. This agreement details the current Authorized Representative, Claim Contact, and Food Service Director (FSD). The on-line agreement is designed to require an E-Mail address for the Authorized Representative, but not for the other two contacts; however, sometimes the FSD is the individual that DESE – SFS would like to contact. Please include an E-Mail address for the FSD, even if the FSD and the Authorized Representative is the same person. This will allow DESE – SFS to contact your FSD in the event information is sent only to FSDs. Also please update the phone numbers in the event they may have changed.

Quote for the Month

“Life is an echo. What you send out comes back. What you sow you reap. What you give you get. What you see in others exists in you.

If you are looking for the best way to reap the most reward in *all* areas of life, you should look for the *good* in every person and in every situation.”



Zig Ziglar, ***See You at the Top.***

Useful Web Sites

<http://www.unitedfresh.org/> United Fresh Produce Association has great information about updates going on in Washington D.C. and calendars of events going on throughout the country.

<http://www.midwestdairy.com/> The Midwest Dairy Council has lots of useful information and has a section dedicated just to school food service. You can find information from wellness, to promoting dairy, to handouts for parents all at this site.

<http://www.schoolnutrition.org/> The School Nutrition Association has wonderful information for all school food service personnel. The Resource Center has useful information on many topics prevalent in day-to-day school food service.

DESE – SFS Commodity Section Contacts

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Monthly Orders should be submitted to:

webreplyascfocom@dese.mo.gov

FDA (Angie Jackson or Karen Fry):

866-473-9700 or 816-833-2000

Prorated Commodities for School Year 2009-2010

(The below list are the Prorated Commodities DESE, SFS anticipates receiving. *All quantities, delivery periods, and values are subject to change.*)

Prorated Commodities are USDA Donated Foods (DF), which are purchased by DESE – SFS and then equally distributed to all LEAs participating in the DF program based on their Average Daily Participation (ADP) in the National School Lunch Program. These commodities are intended to be used in the approved Child Nutrition Programs sponsored by USDA. LEAs may **REFUSE** any Prorated Commodity item they wish by having the **Authorized Representative contact DESE – SFS in writing at least six (6) weeks prior to the beginning Estimated Delivery Period**. Refusals can be sent via E-Mail to webreplyascfocom@dese.mo.gov, by Fax to 573-526-3897 or by letter to PO Box 480, Jefferson City, MO 65102-0480.

Commodity Code	Description	Case per ADP*	Case Size	Estimated Delivery Period	Estimated per Case VALUE**
Fruits and Vegetables					
A174	Potatoes, Wedges, IQF	44	6 – 5 lb bags	Aug 1, 09 – Sep 15, 09	\$ 16.41
A417	Strawberries, FRZN, Diced, 4.5 oz IND cups	52	96 – 4.5 oz cups	Aug 1, 09 – Sep 15, 09	\$ 34.56
A130	Corn, FRZN, Whole Kernel	44	30 lb case	Sep 15, 09 – Oct 31, 09	\$ 17.31
A416	Peaches, FRZN, Diced, 4.4 oz IND cups	52	96 – 4.4 oz cups	Sep 15, 09 – Oct 31, 09	\$ 30.26
A433	Pears, CND, Sliced, Bartlett	64	6 – # 10 cans	Oct 15, 09 – Nov 30, 09	\$ 25.03
A243	Spaghetti Sauce, CND, Meatless	62	6 – # 10 cans	Oct 15, 09 – Nov 30, 09	\$ 14.34
A346	Apple Slices, FRZN, Unsweetened	37	30 lb case	Nov 1, 09 – Dec 15, 09	\$ 11.75
A350	Applesauce, CND, Unsweetened	64	6 – # 10 cans	Nov 1, 09 – Dec 15, 09	\$ 20.53
A091 ***	Beans, Vegetarian, CND,	68	6 – # 10 cans	Nov 1, 09 – Dec 15, 09	\$ 15.16
A431	Pears, CND, Halves	64	6 – # 10 cans	Nov 1, 09 – Dec 15, 09	\$ 27.94
A204	Potatoes, Rounds, FRZN	44	6 – 5 lb bags	Dec 1, 09 – Jan 15, 10	\$ 13.11
A061 ***	Beans, Green, CND	64	6 – # 10 cans	Dec 15, 09 – Jan 31, 10	\$ 19.42
A942	Beans, Pinto, DRY, Whole	46	25 lb bag	Jan 1, 10 – Feb 15, 10	\$ 9.82
A409	Peaches, CND, Clingstone, Diced	64	6 – # 10 cans	Jan 1, 10 – Feb 15, 10	\$ 30.46
A434	Pears, CND, Diced, Bartlett	64	6 – # 10 cans	Feb 1, 10 – Mar 15, 10	\$ 27.19
A085 ***	Beans, Refried, CND	68	6 – # 10 cans	Feb 15, 10 – Mar 31, 10	\$ 22.21
A210	Potatoes, FRZN, Oven Fry, Crinkle	44	6 – 5 lb bags	Feb 15, 10 – Mar 31, 10	\$ 15.21
A299	Orange Juice, FRZN, 4 oz IND cartons	38	70 – 4 fl oz cartons	Mar 1, 10 – Apr 15, 10	\$ 7.50
Meat/Meat Alternates					
B065	Cheese, Sliced American, Yellow, Processed	37	6 – 5 lb loaves	Aug 1, 09 – Sep 15, 09	\$ 46.20
A515	Chicken, Cut-Up, FRZN, 8 pc, Raw	20 ****	40 lb case	Sept 15, 09 – Oct 31, 09	\$ 29.71
A608	Beef, Raw, FRZN, Fine Ground, 85/15	59 ****	4 – 10 lb packages	Oct 1, 09 – Nov 15, 09	\$ 56.17
A608	Beef, Raw, FRZN, Fine Ground, 85/15	53 ****	4 – 10 lb packages	Jan 1, 10 – Feb 15, 10	\$ 56.17
A515	Chicken, Cut-Up, FRZN, 8 pc, Raw	20 ****	40 lb case	Jan 15, 10 – Feb 28, 10	\$ 29.71
B065	Cheese, Sliced American, Yellow, Processed	37	6 – 5 lb loaves	Feb 1, 10 – Mar 15, 10	\$ 46.20
A608	Beef, Raw, FRZN, Fine Ground, 85/15	MAKE UP*****	4 – 10 lb packages	Mar 15, 10 – Apr 30, 10	\$ 56.17

* Case per ADP means each LEA will receive approximately one (1) case of product for that number of Average Daily Participants. Each LEA will receive **AT LEAST** one (1) case of the product. This figure is only an ESTIMATE!

- Example: If LEA Jane Doe's ADP = 100 and A299 = 38 Case/ADP, then they could estimate to receive 2 cases of A299.
(100 ÷ 38 = 2.63. Round down for estimates).

** Estimated per Case VALUE is the value figured for each case based on the estimated cost per requested truck [determined by the USDA's Electronic Commodity Ordering System (ECOS)] divided by the number of cases on each truck.

- Example: A truck of A608 is estimated by ECOS to cost \$56,166 and contain 1,000 cases; therefore the Estimated VALUE is \$56,166 ÷ 1,000 = \$56.17.

*** These commodity **BEANS** can be credited for a Vegetable *or* a Meat/Meat Alternate in Food Based Menu Planning, but cannot be credited for BOTH on the same menu.

**** Beef and Chicken Case/ADP's are determined by the response each LEA chose on the Processing Packet for School Year 2009 – 2010. If your LEA chose to process any percent of either commodity, then you must adjust the Case/ADP accordingly. If your LEA chose to process 100% of the commodity, then ZERO (0) cases will be prorated to your LEA.

- Example: If you chose to process 50% of your Chicken and your ADP is 100, then you would determine your quantity of A515 cases and multiply by 0.50 to estimate that you will receive 2 cases of A515.
(100 ÷ 20 = 5 cases), (5 cases x 0.50 = 2.5 cases) Round down for estimates.

***** MAKE UP deliveries are for LEA's who chose to defer their pounds of PORK on the Processing Packet for School Year 2009 – 2010 and receive GROUND BEEF instead.

IQF = Individually Quick Frozen

FRZN = Frozen

IND = Individual

CND = Canned